

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-07 NSC-05
CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04
SIL-01 DODE-00 PA-01 PRS-01 IGA-02 /082 W
-----122343Z 021753 /61

R 122000Z JAN 77
FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC 2979

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E. O. 11652: N/A
TAGS: CI, EFIN
SUBJECT: THE DEVELOPMENT OF A DEPOSIT INSURANCE PROGRAM FOR CHILE

REF: SANTIAGO 148

1. THE RECENT COLLAPSE OF SEVERAL FINANCIAL INSTITUTIONS ALONG WITH GOC INTERVENTION OF ONE MAJOR BANK (REFTTEL), HAS PROMPTED THE GOC TO GUARANTEE DEPOSITS IN APPROVED INSTITUTIONS UP TO THE AMOUNT OF ABOUT US \$2,800. PER ACCOUNT.

2. LEGISLATION ESTABLISHING THIS GUARANTEE STIPULATES THAT A DEPOSIT INSURANCE PROGRAM MUST BE IN OPERATION WITHIN 180 DAYS. WE WERE INFORMED THAT THE CENTRAL BANK (CB) IS CONSIDERING MAKING A FORMAL REQUEST FOR FDIC ASSISTANCE IN THE ESTABLISHMENT OF CHILE'S DEPOSIT INSURANCE PROGRAM. CB HAS ASKED US FOR INFORMATION ABOUT FDIC.

3. CB VICE PRESIDENT SERGIO DE LA CUADRA CAUTIONED EMBOFF THAT THE PRESENT BANKING SITUATION, AND POSSIBILITIES OF IMPROVING GOC SURVEILLANCE AND CONTROL OF CAPITAL MARKETS, ARE HIGHLY DELICATE SUBJECTS. FOR EXAMPLE, HE APPEARED CONCERNED LEST A REQUEST FOR FDIC ASSISTANCE BE GIVEN UNWARRANTED PUBLICITY,
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AND MAKE PRESENT SITUATION SEEM WORSE THAN IT REALLY IS. WE DO NOT, THEREFORE KNOW WHETHER OR IN WHAT FORM GOC MIGHT REQUEST FDIC ASSISTANCE BEYOND SUPPLYING OF INFORMATION.

4. ACTION REQUESTED. EMBASSY RECALLS PAST INCIDENCES OF FDIC TECHNICAL ASSISTANCE TO FOREIGN GOVERNMENTS (I.E. LEBANON 1967-68) IN SETTING UP DEPOSIT INSURANCE. IN THE EVENT THAT WE

DO RECEIVE A REQUEST FOR CONSULTATIVE SERVICES WE WOULD LIKE
TO KNOW IN ADVANCE WHETHER FDIC STILL MAKES THIS KIND OF SERVICE
AVAILABLE AND UNDER WHAT TERMS. IN ANY EVENT, WE WOULD APPRECIATE
HAVING POUCHED TO US ANY MATERIALS WHICH WOULD ENABLE US TO RESPOND
TO DE LA CUADRA'S REQUEST FOR INFORMATION.
POPPER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC STABILITY, FINANCIAL CRISIS, FINANCIAL COOPERATIVES, BUSINESS LOSSES, DEPOSIT INSURANCE
Control Number: n/a
Copy: SINGLE
Sent Date: 12-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977SANTIA00335
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770012-0622
Format: TEL
From: SANTIAGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770159/aaaabzdr.tel
Line Count: 68
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 4d5570da-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 SANTIAGO 148
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 11-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3614836
Secure: OPEN
Status: NATIVE
Subject: THE DEVELOPMENT OF A DEPOSIT INSURANCE PROGRAM FOR CHILE
TAGS: EFIN, CI
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/4d5570da-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009